



**MILITARY EQUIPMENT VALUATION & ACCOUNTABILITY**  
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# **Accountability and Management of Military Equipment**

January 28, 2009 Webcast  
Interview

**With Mr. Richard K. Sylvester**

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Policy, Office of the Under Secretary of  
Defense (Acquisition, Technology and  
Logistics) (OUSD(AT&L))



<b>Accountability vs. Man</b>
<b>Strategic Goals</b>
<b>Unique Identification of</b>
<b>Systems</b>
<b>People</b>
<b>Policies &amp; Processes</b>
<b>Benefits</b>

## **Property Accountability vs. Management**

- Property Accountability = the inherent responsibility to be answerable for the physical assets that we hold in trust for the taxpayer
- Property Management = the process by which we account for those assets...our policies and processes, and our systems and people



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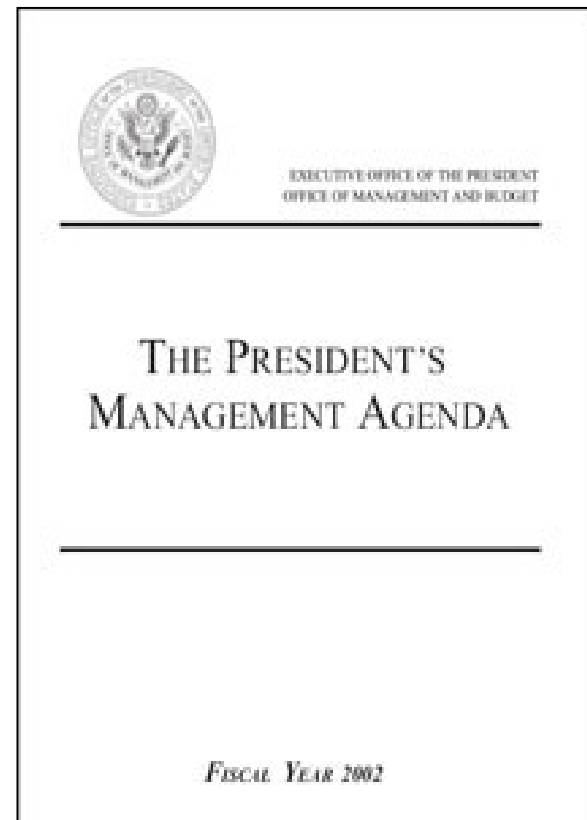
**Systems**

**People**

**Policies & P  
rocesses**

**Benefits**

## **The President wants his Administration to move towards improved financial performance**





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## **The Secretary of Defense . . .**

Acknowledged Defense Transformation as a priority in his initial message to the Department, and emphasized the need to carry forward with this process



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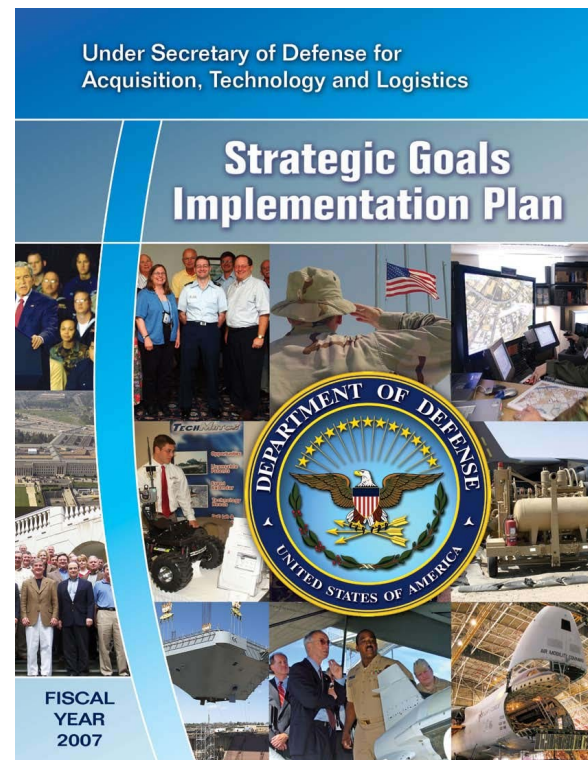
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**The Under Secretary of Defense (AT&L) included business transformation as one of the goals in his strategic plan**





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## **A Focus on both *Financial Accounting* and *Property Accountability* will enable the Department to:**

- Value equipment in an automated way
- Value equipment at a more granular level
- Track individual assets globally and uniquely over their life cycle—at the enterprise level





# The Department is pursuing Unique Identification for assets

Unique Identification helps Service staffs and Commanders know what assets they have and learn their maintenance and supply history

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## Unique Identification will enable linking of physical asset records to financial asset records

*When we make these links, we will have access to information about:*

- The value and remaining useful life of assets
- *Quantity, location, and condition* of equipment available at the enterprise level

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## **Unique Identification will enable linking of physical asset records to financial asset records**

This knowledge will help us make better decisions about:

- Investing, including “make or buy” decisions
- Replacing losses
- Cross-leveling equipment and finding replacements near at hand at an enterprise level

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## **Unique Identification of Assets is one of the attributes of a “good” Accountability System of Record (ASR)**

- Other key data elements spelled out in the DoDI 5000.64 include:
  - Owner,
  - Quantity,
  - Value,
  - Estimated useful life,
  - Receipt and acceptance, transfer, or retirement / disposal dates.



## **“Good” Accountability System of Record, as described in the DoDI 5000.64**

Captures a complete audit trail of all transactions from receipt and acceptance through disposal or retirement of each asset

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## Once we identify or develop “good” Accountability System of Record, we will:

- Connect accountability systems (*physical records*) to the accounting systems (*financial records*)
  - Via an interface with the IUID Registry and our fixed asset accounting system (Capital Asset Management System (CAMS-ME))



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## Accountability Improvement Plans

Each Service and the Special Operations Command (SOCOM) will provide an accountability improvement plan that identifies whether or not they have accountable systems that meet the DoDI 5000.64 criteria

**If they DO**—We will determine how to connect these systems to the IUID Registry and the fixed asset accounting system

**If they DON'T**—We will ask the Service what it is doing to develop an accountability system of record and when it will be complete



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## People – our most important resource

Two Groups engaged in property management:

- **Industrial Property Managers**
  - Manage property in the hands of contractors
  - Are part of the acquisition workforce
- **Accountable Property Officers**
  - Manage property within the government
  - Are not in the acquisition workforce



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## **People - Industrial Property Managers**

The President of Defense Acquisition University (DAU) is working with the Director, Defense Procurement and Acquisition Policy to establish a set of competencies for Industrial Property Managers in preparation for human capital strategic planning that will address these issues





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## **People – Accountable Property Officers**

In response, and consistent with the AT&L Human Capital Strategic Plan, the Property and Equipment (P&E) Policy office is addressing the issues affecting Accountable Property Officers and Hand-Receipt Holders executing the property management mission



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## **People - Accountable Property Officers**

The P&E Policy Office will work with DAU to:

- Develop a strategic human capital plan
- Identify core competencies
- Develop training, education, and experience requirements for Accountable Property Officers and Hand Receipt Holders



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## **Policies & Processes**

We are creating policies and processes that increase the Department's property accountability maturity level

- DoDI 5000.64 requires metrics to measure maturity for assessing and reporting property management maturity
- We are developing a Property Council to build Department-wide consensus on how we manage property



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## **The Benefits: Improved Property Accountability and Management**

- Moves us toward clean audit opinion
- Addresses GAO and DoD IG reports
- Enables top military and OSD decision makers to make better informed investments to equip commanders who can better manage their supply of military equipment



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# Thank You

